Seattle City Light

Memorandum

DATE: June 20, 2011

TO: Mayor Michael McGinn
Seattle City Council

FROM: Jorge Carrasco

SUBJECT: Financial Update – May 2011

This memo provides an analysis of Seattle City Light's financial condition and operating results through May 31, 2011. The attached Income Statement Analysis, which is summarized in the chart below, provides a perspective on how City Light performed year to date in 2011 compared to the same period of the previous year. In addition, we have provided a revised projection of City Light's financial results through December 2011 compared to the 2011 Financial Plan. The 2011 Financial Plan is based on the revenues and expense projections included in the adopted budget for 2011.

FINANCIAL HIGHLIGHTS
May 2011
($ millions)

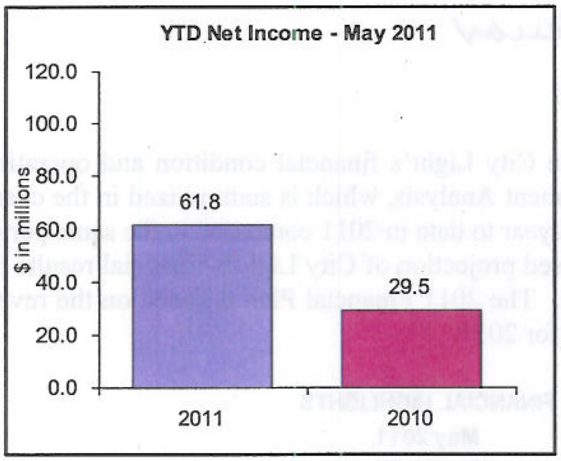
	Year-to-date Actual		Year End Dec. 31		Revised Forecast change from prior month
	2011	2010	Plan	Revised Forecast	
Retail Power Revenues[1]	$ 290.3	$ 266.8	$ 649.8	$ 656.6	$ -
Net Wholesale Energy Sales (before booked-out LT purch)	$ 51.9	$ 17.6	$ 96.8	$ 121.3	$ 20.0
Net Income	$ 61.8	$ 29.5	$ 85.9	$ 94.2	$ 3.9
Cash Balances					
Operating Cash[2]	$ 135.4	$ 56.3	$ 111.0	$ 140.3	$ (9.8)
Construction Account - Restricted	$ 190.1	$ 179.6	$ -	$ -	$ -
Rate Stabilization Account	$ 103.9	$ 25.0	$ 101.1	$ 124.9	$ 20.1
Debt Coverage Ratio	-	-	1.80	1.89	(0.00)
Debt to Capitalization Ratio	65.2%	64.8%	63.3%	63.0%	-0.1%

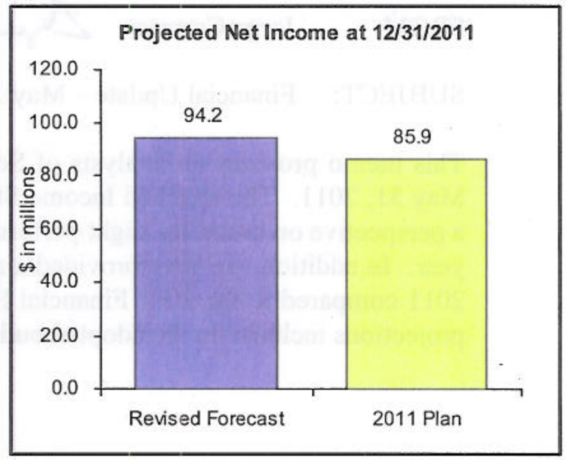
(1) Retail Power Revenues include revenues such as Green Power Program and Power Factor Charges and exclude low-income Rate Discounts.

(2) On the advice of its financial advisor, City Light plans to set aside $10 million per year in a special fund designed to replace the $109.5 million surety bond which serves as the majority of the bond reserve fund required by the utility's bond covenants. The surety bond expires in 2029 and is unlikely to be renewable due to changes in the financial viability of bond insurers. The replacement fund is expected to support the utility's high bond rating and thus keep interest costs on borrowing low.

Net Income

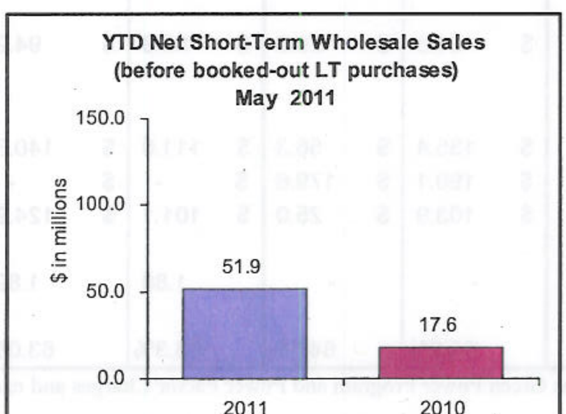
As indicated in the table on this page and in the charts on the next page, net income for the period ending May 31, 2011, was $61.8 million which results in a $32.3 million or 109.5% increase over the same time period in 2010. This increase is explained by higher retail power revenues due to the across-the-board 4.3% rate increase effective January 1, 2011, a 0.5% BPA pass-through effective October 1, 2010 and higher consumption due to a cold spring. Extremely wet hydro conditions in the Pacific Northwest during the first five months of 2011 resulted in SCL's net wholesale revenues being much higher year-to-date (more than $30 million) as compared to the same period last year. An offsetting effect includes the transfer of $24.6 million to the Rate Stabilization Account (RSA) year-to-date.

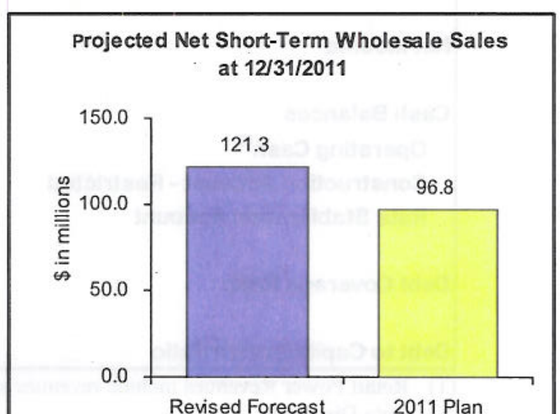




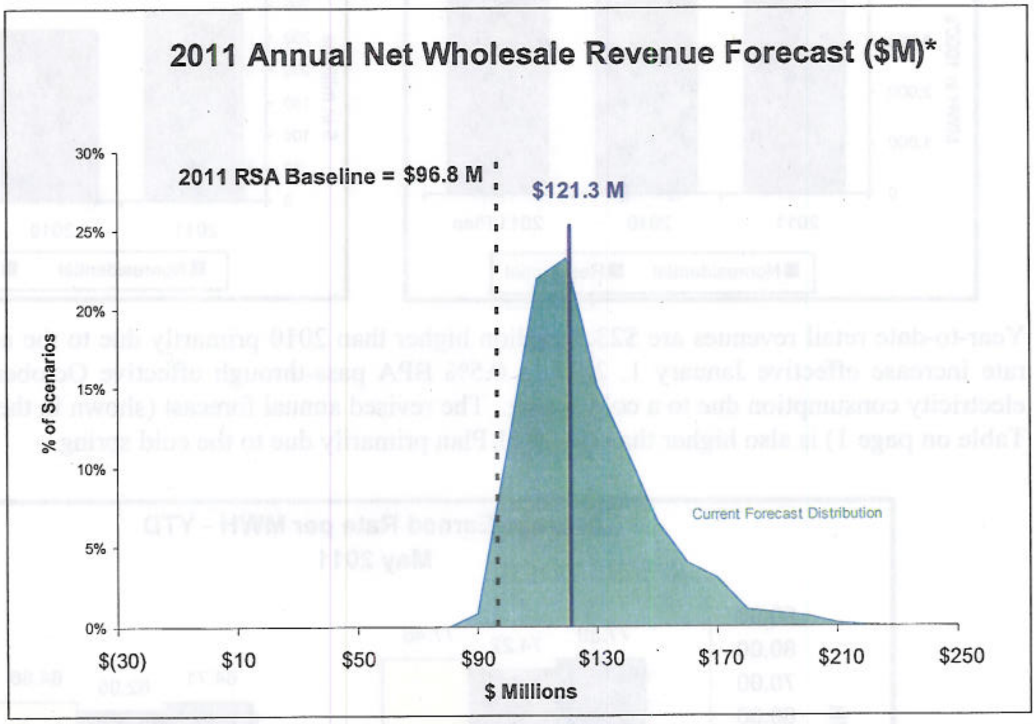
Projected net income at year-end December 31, 2011 is expected to be $94.2 million, $8.3 million or 9.6% higher than anticipated in the 2011 Plan. This increase is due to a combination of several factors that came into play in the first five months of 2011. They are: higher retail power revenues due to a cold spring, lower than expected wholesale energy prices which affect valuations of the energy exchanges and other power-related purchases and sales, and lower FERC land use fees.

Net Short-Term Wholesale Energy



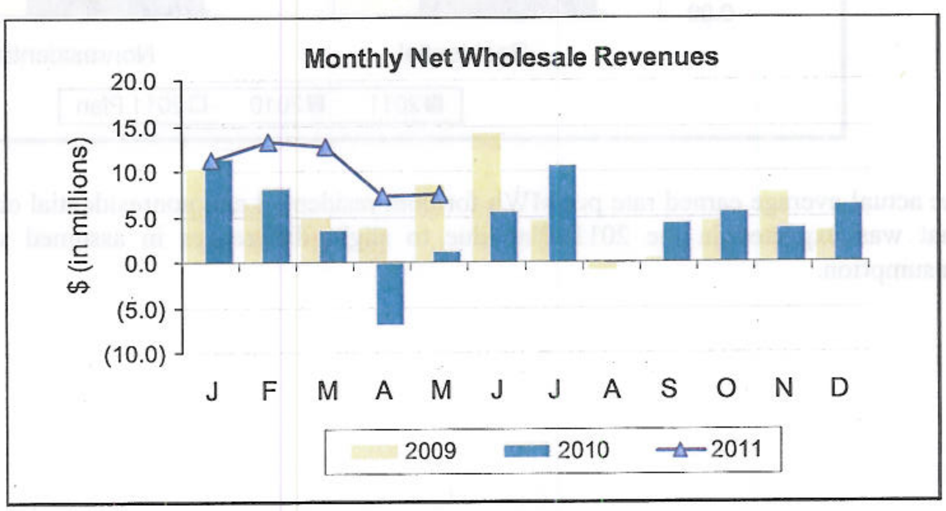


The projections of net short-term wholesale energy sales change weekly due to changes in water conditions, economic factors such as the price of natural gas, system load and the availability of surplus energy for resale. The chart below represents the current forecast for net short-term wholesale revenues before booked-out long-term purchases, which is expected to be $121.3 million.

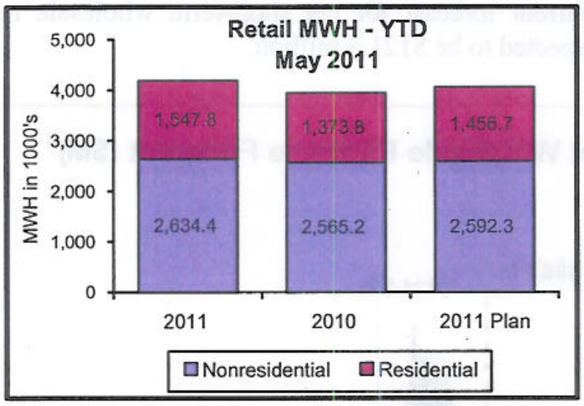


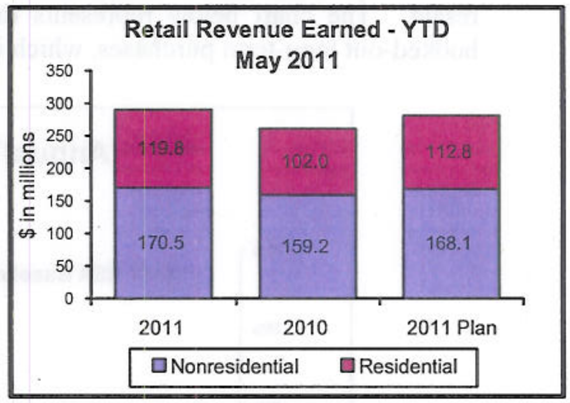
* In prior years we also showed the distribution for the financial plan in this graph. This graph now only shows the distribution of the forecast and the RSA baseline, which is based on the 2010 RSA ordinance.

Net wholesale revenues for the month of May were $7.5 million, an increase of $6.2 million over the same period last year due to much more water this year.

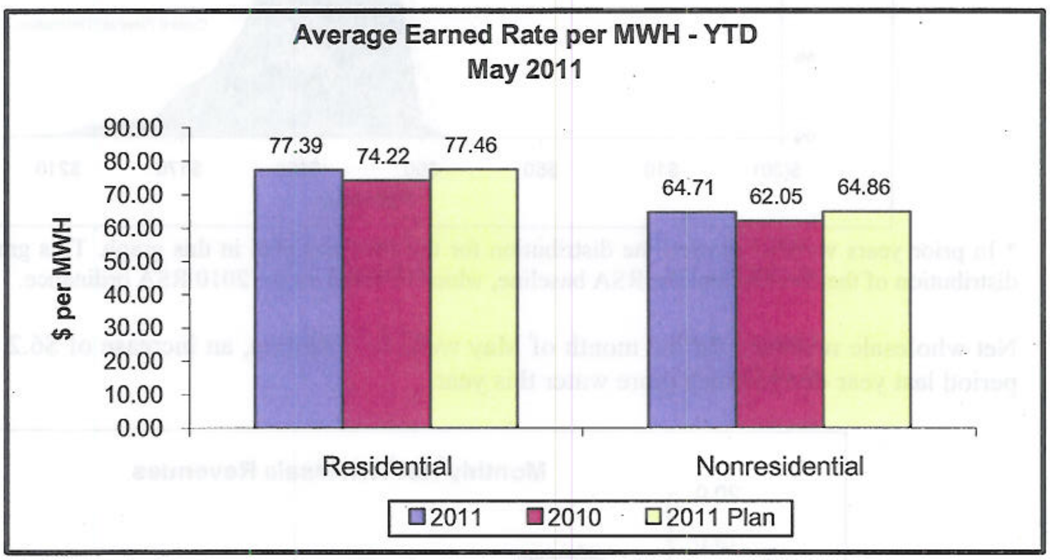


Retail Power Revenues
The charts that follow present selected data on year-to-date retail power revenues.



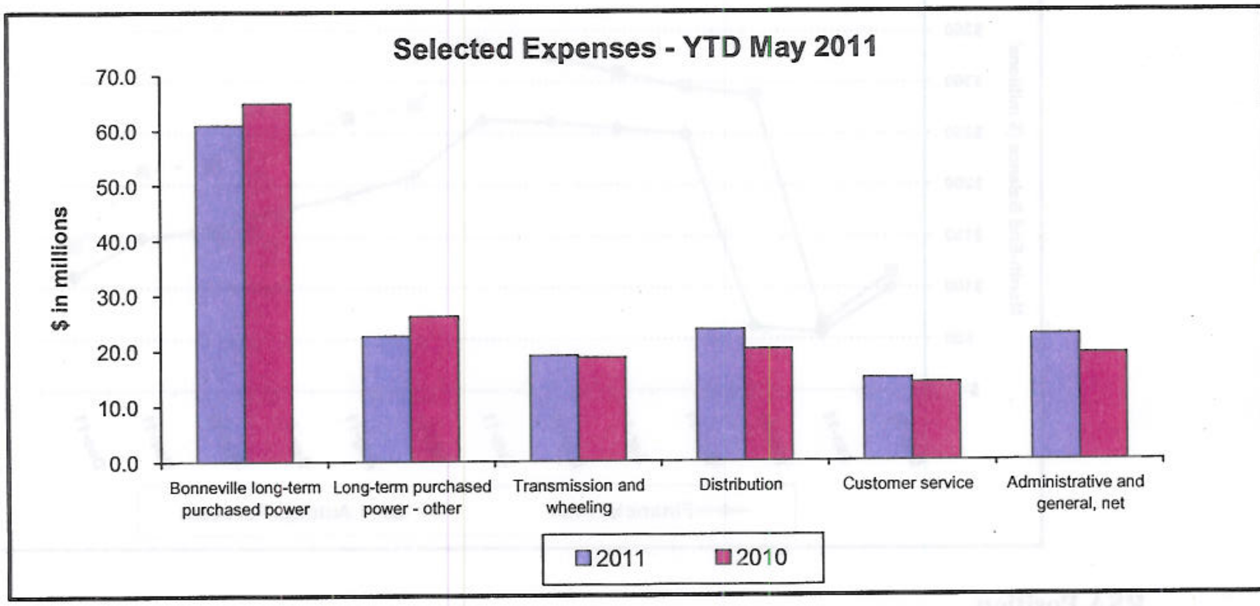


Year-to-date retail revenues are $23.5 million higher than 2010 primarily due to the across-the-board 4.3% rate increase effective January 1, 2011, a 0.5% BPA pass-through effective October 1, 2010 and higher electricity consumption due to a cold spring. The revised annual forecast (shown in the Financial Highlights Table on page 1) is also higher than the 2011 Plan primarily due to the cold spring.



The actual average earned rate per MWh for both residential and nonresidential customers is different from what was expected in the 2011 Plan due to slight differences in assumed versus actual patterns of consumption.

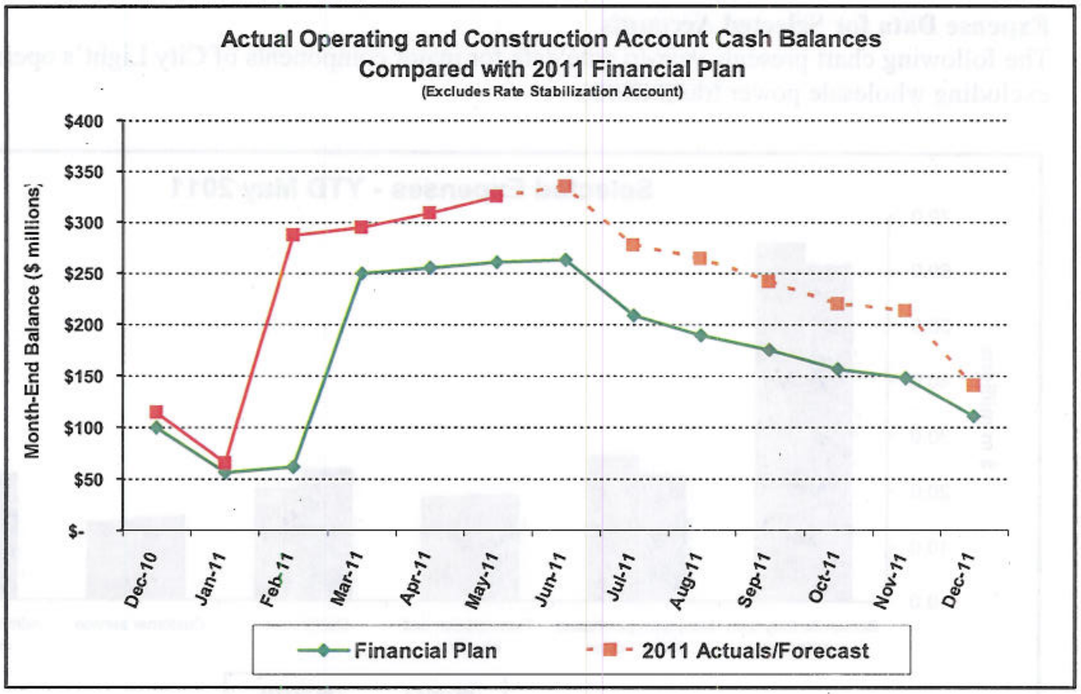
Expense Data for Selected Accounts
The following chart presents year-to date data for major components of City Light's operating expenses excluding wholesale power transactions.



Bonneville expenses are lower year-to-date as compared to the same period last year primarily due to a higher BPA Slice true-up credit. Other long-term purchased power expenses are also lower. This decrease is due to lower purchases from Priest Rapids and lower valuation of SMUD exchange expenses as a result of lower market prices in 2011. However, these lower expenses were partially offset by higher purchases from the Stateline Wind and Lucky Peak projects. The increase in distribution expenses is explained by additional budget allocated to programs such as the life-cycle asset management program (LAMP), the work and asset management system (WAMS) and vegetation management in 2011. Higher administrative and general expenses reflect an increase in pension contributions and benefits costs in 2011.

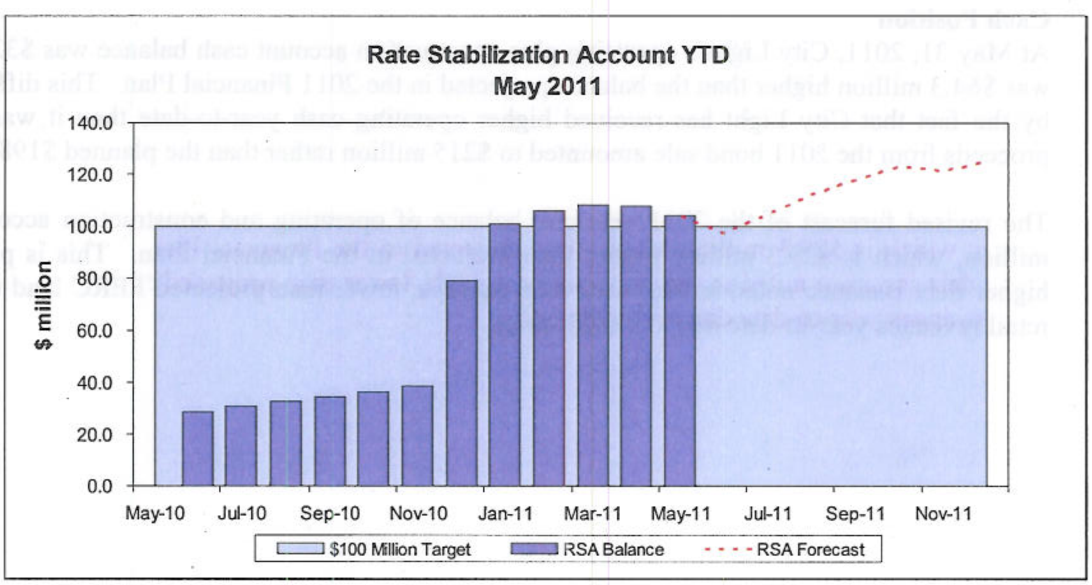
Cash Position
At May 31, 2011, City Light's operating plus construction account cash balance was $325.5 million, which was $64.3 million higher than the balance projected in the 2011 Financial Plan. This difference is explained by the fact that City Light has received higher operating cash year-to-date than it was expecting and its proceeds from the 2011 bond sale amounted to $215 million rather than the planned $198.7 million.

The revised forecast of the 2011 year-end balance of operating and construction account cash is $140.3 million, which is $29.3 million higher than projected in the Financial Plan. This is primarily due to the higher debt issuance noted in the previous paragraph, lower than projected FERC land use fees and higher retail revenues year-to-date due to a cold spring.



RSA Position

The chart below displays the cash balance in the RSA as of May 31, 2011. The Department reached the initial target of $100 million on January 1, 2011 through a combination of the existing $25 million Contingency Reserve, 2010 revenues from the RSA surcharge, 2010 Cash from Operations and 2010 Bond Refunding Savings realized in 2010 and 2011. The RSA surcharge was lifted as of January 1, 2011. During May 2011 SCL transferred funds from the RSA to supplement the monthly difference in actual versus planned net wholesale revenues. Based on the current forecast SCL will dip into the RSA in June 2011 as well. However, the RSA balance is not expected to go below $90 million, which would trigger a surcharge. As shown in the figure below, the RSA balance is expected to grow starting in July and continue growing through the end of the year.



2011 Budget

As of May 2011, City Light is projecting that overall it will be within its budget authority through year-end 2011. The Department has spent 41% of the overall O&M budget (O&M budget includes Non-Power O&M expenses, Purchased Power, Taxes and Debt Service) through May. At this point in the year we would normally expect to have spent 42% of the annual budget. City Light's spending on the Capital program through May is 76% of the 2011 work plan for the year to date. The CIP Plan projects the accomplishment rate to be 94% by year-end.

Debt-to-Capitalization

At May 31, 2011, City Light's debt-to-capitalization ratio was 65.2%, an increase from the 64.3% reported at December 31, 2010 and above the 64.8% reported at the same time last year. Based on the revised forecast the 2011 year-end debt-to-capitalization ratio is now expected to be 63.0%, a slight decrease from 63.3% in the 2011 Plan. The debt-to-capitalization ratio will decrease towards the end of the year as debt service is paid off.

Compliance with Risk Policies and Standards

Attached for your information is the City Light Risk Oversight Status Report as of June 8, 2011, which conveys City Light's compliance with risk policies and standards at that point in time. In April 2011 the City Council and the Mayor approved an extension of the forward contracting rule from 18 to 24 months.

Performance Metrics

In addition to the financial information included above, we have provided a report on performance metrics for Distribution Operations, Vegetation Management, Safety and Human Resources, Power Resources and Customer Care. The updated Performance Metrics Report for May 2011, with 2010 data included for comparison, is attached.

Attachments

Line No.	Condensed Statements of Revenues and Expenses	Year-to-date [A] Actuals May 31, 2011	Year-to-date [B] Actuals May 31, 2010	Year-to-date [A - B] Actuals to Actuals Variance	Year Ending December 31, 2011 [C] 2011 Revised Forecast	Year Ending December 31, 2011 [D] 2011 Financial Plan	Year Ending December 31, 2011 [C - D] Change
1	(Unaudited)						
2	(In millions)						
3							
4							
5	**Operating Revenues**						
6	Retail power revenues	$ 290.3	$ 266.8	$ 23.5	$ 656.6	$ 649.8	6.9
7	S-T wholesale power revenues, net (lines 42 + 45)	51.9	32.1	19.8	146.7	120.2	26.5
8	Power-related revenues - other	22.6	21.3	1.3	59.0	80.8	(21.8)
9	Transfers To/From Rate Stabilization Account	(24.6)	0.0	(24.6)	(45.7)	(22.0)	(23.7)
10	Other revenues	9.5	8.4	1.1	21.4	21.8	(0.4)
11	Total operating revenues	349.7	328.6	21.1	838.0	850.5	(12.5)
12	**Operating Expenses**						
13	Generation	9.6	12.5	(2.9)	31.8	37.9	(6.1)
14	Bonneville long-term purchased power	60.9	64.9	(4.0)	161.3	159.9	1.4
15	Long-term purchased power - other	22.6	26.2	(3.6)	54.2	63.2	(9.0)
16	Short-term wholesale power purchases	2.5	15.6	(13.1)	30.8	28.5	2.3
17	Power-related wholesale purchases - other	6.1	13.1	(7.0)	16.6	26.7	(10.0)
18	Other power costs	4.2	3.4	0.8	10.9	10.6	0.3
19	Transmission and wheeling	19.1	18.7	0.4	49.3	49.4	(0.2)
20	Distribution	23.7	20.2	3.5	67.2	67.2	0.0
21	Customer service	14.9	14.1	0.8	36.2	35.8	0.3
22	Conservation	7.5	7.0	0.5	25.6	25.5	0.1
23	Administrative and general, net	22.6	19.2	3.4	67.5	66.8	0.7
24	Taxes	33.2	30.5	2.7	74.8	73.6	1.2
25	Depreciation and amortization	37.0	35.3	1.7	82.7	85.4	(2.7)
26	Total operating expenses	263.9	280.7	(16.8)	709.0	730.7	(21.7)
27							
28	**Net Operating Income**	85.8	47.9	37.9	129.0	119.8	9.1
29							
30	**Other Deductions, Net**						
31	Investment Income	1.8	0.7	1.1	4.9	4.5	0.4
32	Other income (expense), net	1.5	(0.1)	1.6	5.3	2.3	3.0
33	Interest expense	(31.3)	(27.5)	(3.8)	(90.1)	(89.8)	(0.3)
34	Capital contributions	3.7	7.7	(4.0)	44.1	46.6	(2.5)
35	Grants	0.3	0.8	(0.5)	1.0	2.5	(1.5)
36	Total other deductions, net	(24.0)	(18.4)	(5.6)	(34.8)	(33.9)	(0.9)
37							
38	***Net Income***	61.8	29.5	32.3	94.2	85.9	8.3
39							
40							
41	Note A:						
42	Short-term wholesale energy sales, gross	54.4	33.2	21.2	152.0	125.3	26.7
43	Short-term wholesale energy purchases	(2.5)	(15.6)	13.1	(30.8)	(28.5)	(2.3)
44	**Net ST wholesale sales before booked-out LT purchases**	**51.9**	**17.6**	**34.3**	**121.3**	**96.8**	**24.4**
45	Booked-out long term purchases	(2.5)	(1.1)	(1.4)	(5.3)	(5.1)	(0.2)
46	Net short-term wholesale energy sales	49.4	16.5	32.9	116.0	91.7	24.2
47							

Line No.	Condensed Balance Sheets	[A]	[B]	[A - B]	[C]	[A] - [C]
1	**(Unaudited)**					
2	(In millions)					
3		**May 31, 2011**	**December 31, 2010**	**Change**	**May 31, 2010**	**Change**
4	**Assets**					
5	Net utility plant at original cost	$ 1,793.9	$ 1,821.1	$ (27.2)	$ 1,516.8	$ 277.1
6	Construction work-in-process	185.1	147.0	38.1	192.0	(6.9)
7	Assets held for future use	9.8	9.3	0.5	11.3	(1.5)
8	Land and nonoperating, net	95.7	95.7	-	88.0	7.7
9	Contingency reserve account	-	-	-	25.0	(25.0)
10	Rate Stabilization account	103.9	79.3	24.6	-	103.9
11	Construction Account	190.1	57.0	133.1	179.6	10.5
12	Restricted assets - other	5.3	3.9	1.4	5.2	0.1
13	Operating cash	135.4	56.9	78.5	56.3	79.1
14	Accounts receivable, net	88.7	81.8	6.9	81.5	7.2
15	Unbilled revenues	53.0	69.7	(16.7)	56.6	(3.6)
16	Current assets - other	44.4	26.6	17.8	47.0	(2.6)
17	Other assets	225.8	221.5	4.3	375.8	(150.0)
18	Total assets	$ 2,931.1	$ 2,669.8	$ 261.3	$ 2,635.1	$ 296.0
19						
20	**Liabilities and equity**					
21	Long-term debt	$ 1,672.6	$ 1,515.8	$ 156.8	1,560.8	$ 111.8
22	Noncurrent liabilities	54.9	55.0	(0.1)	51.5	3.4
23	Debt, notes, and obligation - current	93.9	58.7	35.2	53.7	40.2
24	Accrued interest	24.5	34.4	(9.9)	7.6	16.9
25	Current liabilities - other	70.1	73.4	(3.3)	76.4	(6.3)
26	Bonneville conservation augmentation	2.1	4.7	(2.6)	8.0	(5.9)
27	Rate Stabilization Deferred Revenue	78.9	54.3	24.6	-	78.9
28	Deferred credits - other	17.7	18.9	(1.2)	23.3	(5.6)
29	Equity	916.4	854.6	61.8	853.8	62.6
30	Total equity and liabilities	$ 2,931.1	$ 2,669.8	$ 261.3	$ 2,635.1	$ 296.0

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Net Income Variance Analysis
May 2011

Variance Year-to-Date 2011 Compared to 2010 Actuals: $32.3 million or 109.5%

Major components ($ millions):

$29.5	Net Income YTD through May 31, 2010
$23.5	Higher retail revenues primarily due to 4.3% rate increase effective January 1, 2011, 0.5% BPA pass-through effective October 1, 2010 and cold spring
$34.3	Higher net wholesale energy sales due to more precipitation this year
($24.6)	RSA deferred revenues
$4.0	Lower BPA purchased power expenses
$7.0	Lower power-related wholesale purchases - other
($3.4)	Higher A&G
($4.0)	Lower capital contributions
($3.8)	Higher interest expense
($0.7)	Other (net)
$61.8	Net Income YTD through May 31, 2011

Variance 2011 Revised Forecast Compared to Financial Plan: $8.3 million or 9.6%

Major components ($ millions):

$85.9	Net Income YTD through December 31, 2011 - Financial Plan
$6.9	Higher retail revenues
$24.4	Higher net surplus energy sales than planned
($21.8)	Lower other power-related revenues due to lower wholesale prices on power exchanges and lower Priest Rapids sales
($23.7)	Transfer to RSA
$6.1	Lower generation due to lower FERC land use fees
$9.0	Lower long-term purchased power - other
$10.0	Lower power-related wholesale purchases - other
$2.7	Lower depreciation
($2.5)	Lower capital contributions
($2.8)	Other (net)
$94.2	Net Income YTD through December 31, 2011 - Revised Forecast

City Light Risk Oversight Status Report
As Of
Wednesday, June 08, 2011

Summary

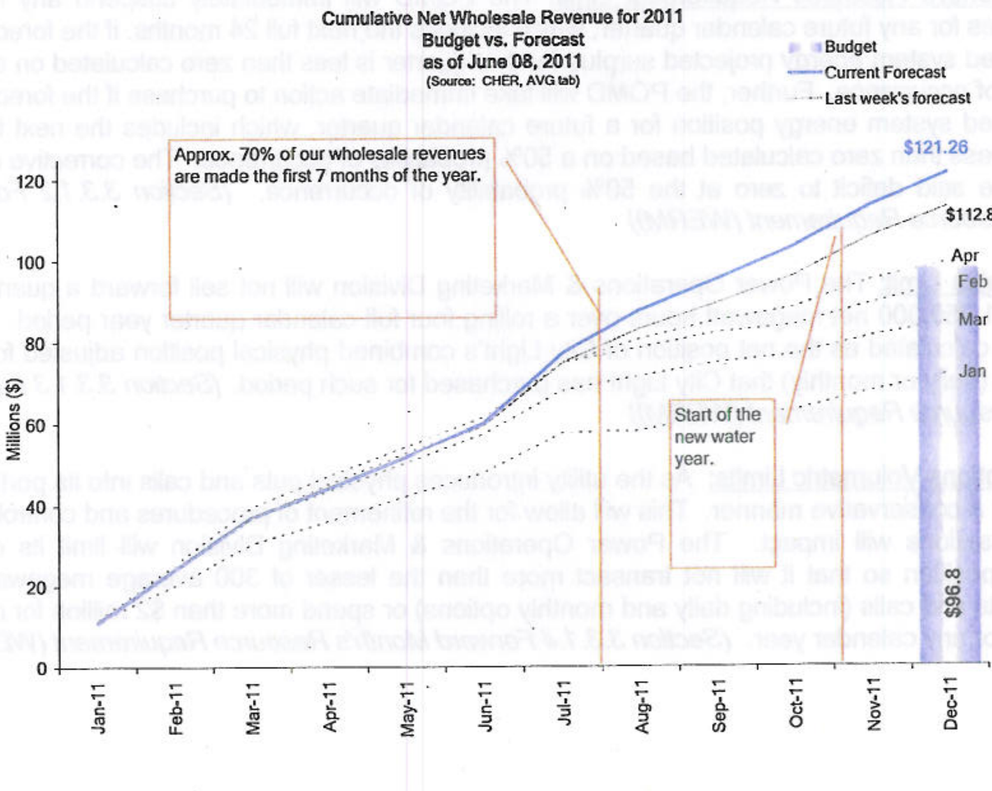
	% of 5 yr Avg	Current '11 Avg	5 Yr Avg
SCL Hydro Generation	124%	1,360 MW	1,094 MW
Peak Market Prices	69%	$33.50	$48.67

SCL Hydro Generation: The total average generation per hour for Seattle City Light's three major hydroelectric resources (Skagit, Boundary, and BPA Slice) for the 2011 calendar year. This average includes actual generation for past months, and forecasted MW for future months. The 5 year average value is comprised of actuals for years 2006-10.

Peak Market Prices: The average peak market price for the nearest electricity trading hub (Mid-C) for the 2011 calendar year. The 2011 average is comprised of monthly peak forward marks for future months and averaged Dow Jones firm peak index daily prices for past months. The 5 year average is calculated using Dow Jones peak daily prices for years 2005-09.

Wholesale Revenue Variance: In the 2011 approved budget, the approved Wholesale Revenue is $96.8 million. The chart (Chart 1) compares the current annual approved budget ($96.8 million) with the current forecast of $121.3 million. Compared to last week, the forecast increased by $8.4 million as a result of increases in resources of $4.8 million and increase in prices of $3.6 million.

Chart 1



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Policy Compliance:

Tail Risk Limit	Prompt Month & Within Month Limit	Forward Month's Resource Requirement Limit	Forward Sales Limit	Physical Options Limit
Exceeded	Compliant	Compliant	Compliant	Compliant

<u>Tail Risk:</u> For the current calendar year, the Power Operations & Marketing Division will conduct its hedging activity to maintain the Utility's position within an $8 million Risk Tolerance Band (RTB) around the calculated 5% Tail Risk metric. For the prompt year (the year immediately following the current calendar year), the Utility's position will remain within a $12 million RTB around the 5% Tail Risk metric. *(Section 3.3.2 Prompt and Within the Month (WERM))* The Tail Risk Limit was exceeded by $0.5 million this week. The Risk Oversight Council has taken the necessary steps to move the Utility's position back within the $8 million risk Tolerance Band.

<u>Prompt Month & Within Month Volumetric Limit:</u> The Power Operations & Marketing Division will maintain City Light's power portfolio position for any prompt month or any Balance of the Month period so that such position shall not exceed a 50 average megawatt deficit during such period. Such limit will be calculated as the net position of City Light's combined physical position adjusted for any call options (daily or monthly) that City Light has purchased for such month. If this limit is exceeded, the Division will take immediate action to reduce the deficit to under 50 average megawatts. *(Section 3.3.1.1 Prompt and Within the Month (WERM))*

<u>Forward Month's Resource Requirement Limit:</u> The POMD will immediately suspend any further forward sales for any future calendar quarter, which includes the next full 24 months, if the forecasted net combined system energy projected surplus for that quarter is less than zero calculated on a 75% probability of occurrence. Further, the POMD will take immediate action to purchase if the forecasted net combined system energy position for a future calendar quarter, which includes the next full 18 months, is less than zero calculated based on a 50% probability of occurrence. The corrective action shall reduce said deficit to zero at the 50% probability of occurrence. *(Section 3.3.1.2 Forward Month's Resource Requirement (WERM))*

<u>Forward Sales Limit:</u> The Power Operations & Marketing Division will not sell forward a quantity of more than 1,750,000 net megawatt hours over a rolling four full calendar quarter year period. Such limit will be calculated as the net position of City Light's combined physical position adjusted for any call options (daily or monthly) that City Light has purchased for such period. *(Section 3.3.1.3 Forward Month's Resource Requirement (WERM))*

<u>Physical Options Volumetric Limits:</u> As the utility introduces physical puts and calls into its portfolio it will do so in a conservative manner. This will allow for the refinement of procedures and controls that these transactions will impact. The Power Operations & Marketing Division will limit its option volumetric position so that it will not transact more than the lesser of 300 average megawatts in physical puts and calls (including daily and monthly options) or spend more than $2 million for option premiums for any calendar year. *(Section 3.3.1.4 Forward Month's Resource Requirement (WERM))*

5% Tail Risk Metric, 2011

In October 2007, City Light implemented a risk metric named the "5% Tail Risk". It is calculated as the average of the worst-case scenarios for City Light's cash from operations for the calendar year. Cash from operations is a bottom-line financial metric defined as the cash available to finance capital projects. There are numerous drivers of cash from operations such as retail revenue, investment income, debt service, and O&M expenses; however wholesale energy revenue is typically the primary driver of uncertainty in this metric.

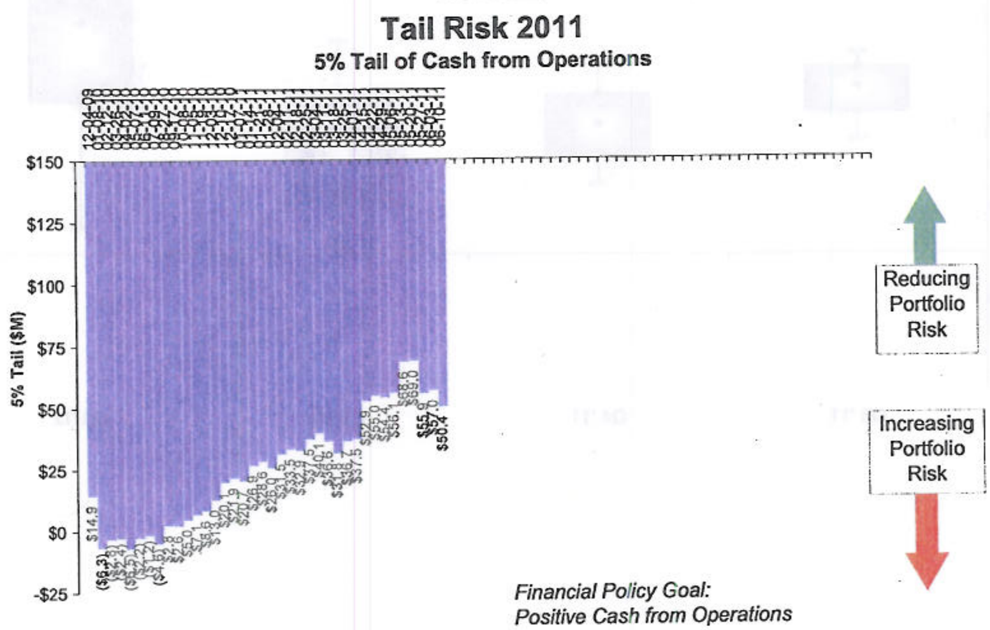
In 2011, the Rate Stabilization Account (RSA) became operational. The RSA is a cash reserve that is used to buffer the Utility from uncertainty in wholesale energy revenue. If the RSA becomes depleted, it is replenished via retail rate surcharges. The RSA significantly mitigates City Light's financial (i.e. cash from operations) risk associated with wholesale energy revenue; however retail customers are exposed in part to the wholesale energy revenue risk via RSA surcharges of up to 4.5%. To appropriately encourage management of risk borne by both City Light and retail customers, the cash from operations amount used in the 5% Tail Risk calculation excludes any effects of the RSA.

The 5% Tail Risk metric is used as a risk control measure in City Light's management of surplus hydro resources. It is used in concert with additional volumetric limits, as well as expert knowledge and analysis of western wholesale energy markets, river flow data, and generation unit outages, to inform power management decisions.

Every week, portfolio models are updated with the most current information and the 5% Tail Risk is recalculated for both the current portfolio (forecast position plus purchases, less sales) and planned portfolio (current portfolio plus remainder of existing hedge plan). The metric provides an indication as to whether the utility's portfolios include too much or too little surplus resources.

Chart 2 (below) illustrates the 5% Tail Risk metric values for the calendar year 2011. As time progresses, the 5% Tail Risk metric value has decreased from an initial projection of $14.9 million to the current projection of a worse case of $50.4 million of Cash from Operations.

Chart 2

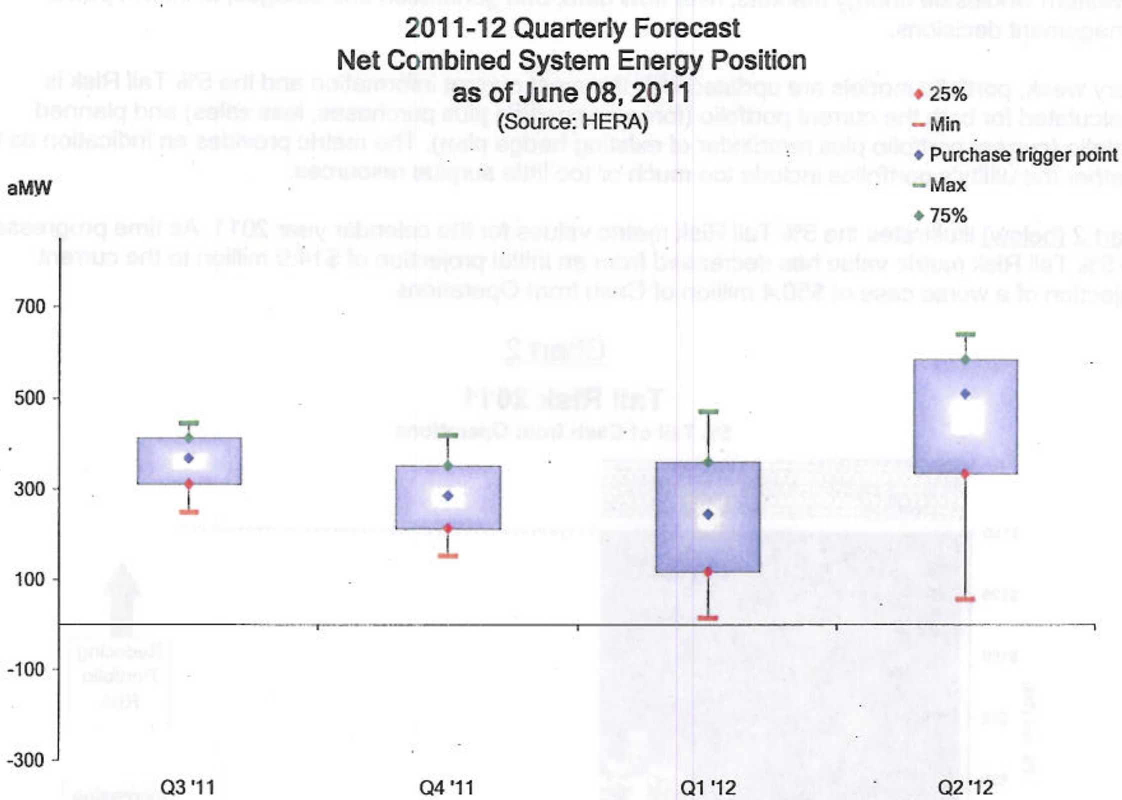


Hedging Plan & Position Status

Hedge Plan 2011, Phase 2 was proposed on March 15, 2011 and was approved by ROC on March 30, 2011. The maximum additional net volume to be sold forward under this plan total is 218, 400 MWh.

Risk Policy Section 3.3.1b was amended by the Chair of the Energy, Technology, and Civil Rights Committee on March 8, 2010, changing the trigger point for purchasing power in the forward quarter-year periods to the 50th percentile (previously, it was the 25th percentile, or 75% confidence), when, at that level of expectation, the net position is below 0 . Chart 3 shows the Net Combined System Energy Position for the next four quarter-year periods. The blue boxes represent the expected net energy position from the 25th to the 75th percentile. The dark blue diamonds inside the boxes represent the 50th percentile (the new purchase trigger). Under the amended rule, if the blue diamond is below 0, City Light must purchase energy to get back above 0.

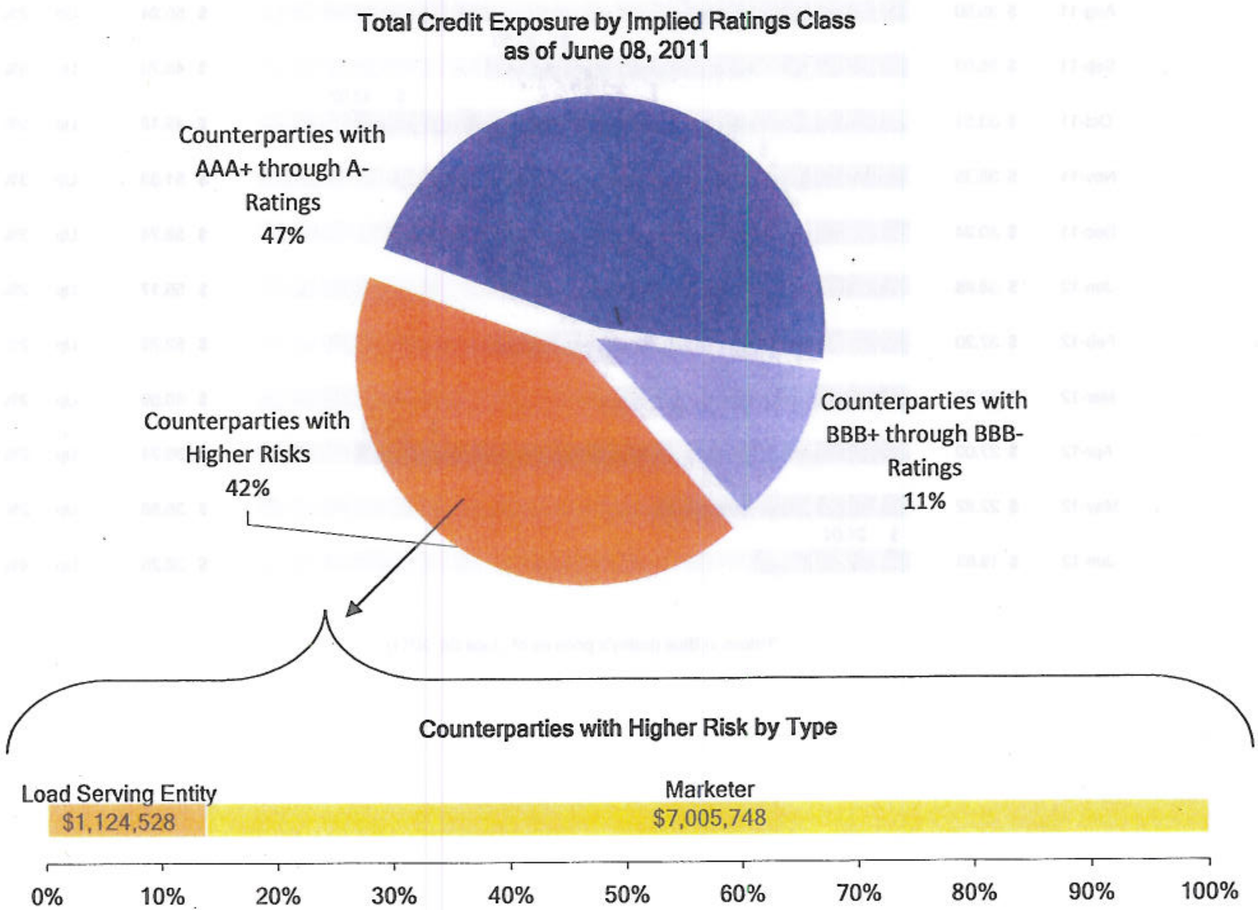
Chart 3



Credit

City Light actively manages its wholesale energy market credit risk by: setting credit limits for each counterparty that are derived from credit scoring models and analysis; securing credit enhancements; monitoring industry news; and by tracking counterparty credit exposures. Beginning in 2009 the Risk Management Division began using an industry standard tool (Moody's KMV) to proactively measure changes in counterparty creditworthiness. This necessitated the use of implied (internal) credit ratings instead of the actual rating agency ratings for Chart 4, below. It is important to note that this represents the assessment of credit risk by the Director of Risk Management. Actual credit ratings by Standard and Poors and Moody's Investor Services are higher.

Chart 4



Price

To ensure that prices are independently developed, City Light's official price curve is prepared by PLATTS and used for internal analysis, valuation and modeling tasks. Chart 5 shows the forward price range (Mid-C) for the upcoming 12 months since the previous 12 months.

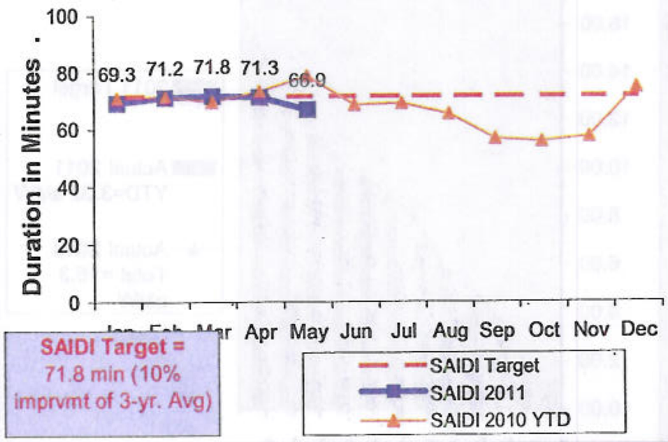
Chart 5

Mid- C Power	Low for the period	Price range since June 08, 2010 (data source: PLATTS)	High for the period	% from last wk
Jul-11	$ 22.25	$ 29.00	$ 49.65	Up 8%
Aug-11	$ 35.50	$ 42.00	$ 55.24	Up 7%
Sep-11	$ 35.03	$ 43.50	$ 48.70	Up 6%
Oct-11	$ 33.54	$ 43.02	$ 45.18	Up 5%
Nov-11	$ 35.75	$ 42.42	$ 51.33	Up 3%
Dec-11	$ 40.24	$ 46.56	$ 58.74	Up 3%
Jan-12	$ 38.88	$ 44.21	$ 55.17	Up 2%
Feb-12	$ 37.20	$ 41.62	$ 52.75	Up 2%
Mar-12	$ 32.96	$ 38.67	$ 46.59	Up 2%
Apr-12	$ 27.00	$ 35.10	$ 36.74	Up 2%
May-12	$ 22.82	$ 27.86	$ 35.88	Up 2%
Jun-12	$ 19.63	$ 24.04	$ 38.25	Up 4%

*Prices in Blue (today's price as of June 08, 2011)

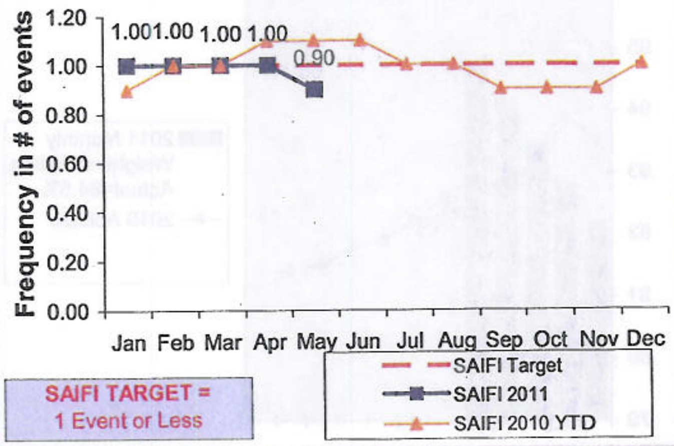
Distribution Operations:

SAIDI -12 Month Rolling Average YTD



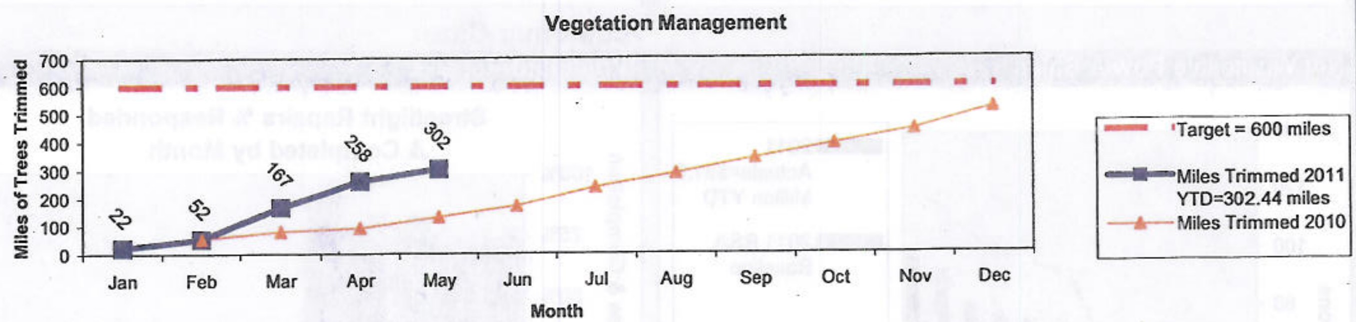
SAIDI Target = 71.8 min (10% imprvmt of 3-yr. Avg)

SAIFI - 12 Month Rolling Average YTD



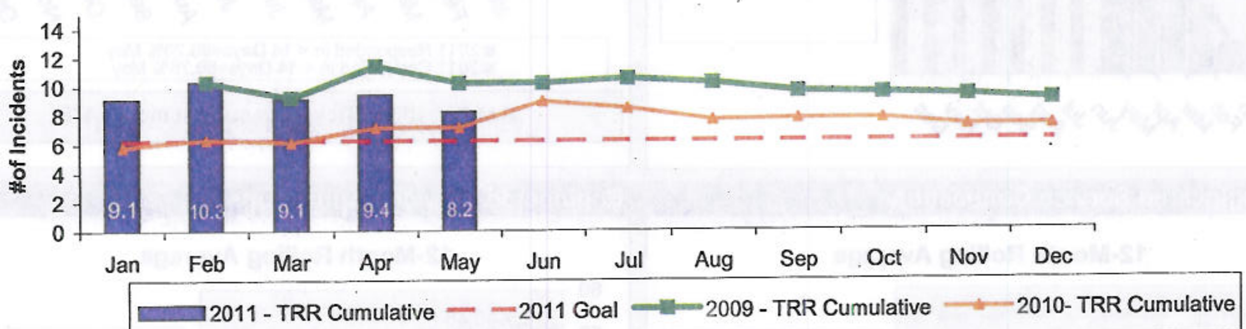
SAIFI TARGET = 1 Event or Less

Cumulative Miles of Trees Trimmed vs Annual Target



Human Resources:

Safety - Average Total Recordable Incident Rate (TRR) YTD

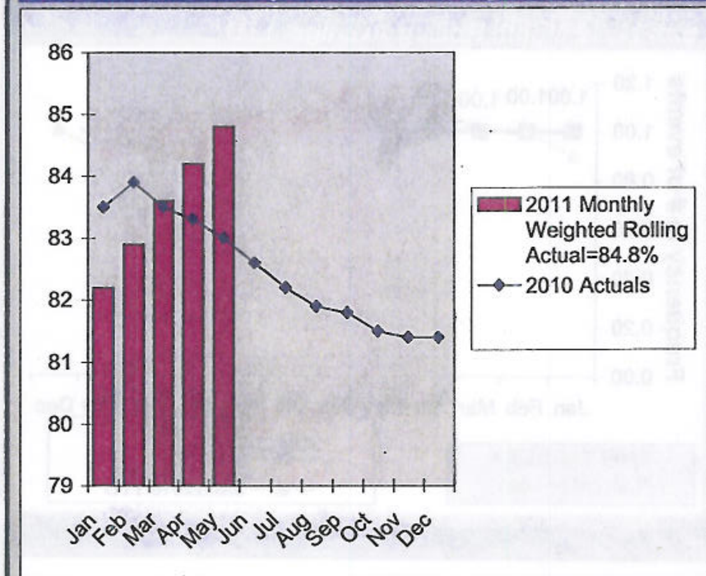


Hiring Statistics Cumulative YTD

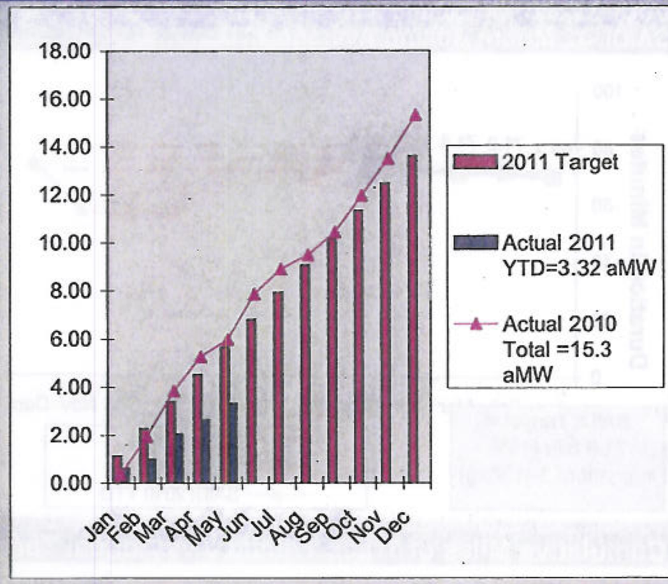
	Jan	Feb	Mar	April	May	Jun	Jul	Aug	Sept	Oct	Nov	Dec
# of New Hires YTD	11	14	32	37	41							
# of Promotions YTD	17	19	23	26	37							
# of Days for Hiring Process	46	48	45	45	48							
Vacancy Rate Mo. End	9.6%	10.2%	10.1%	10.1%	10.4%							

Power Resources:

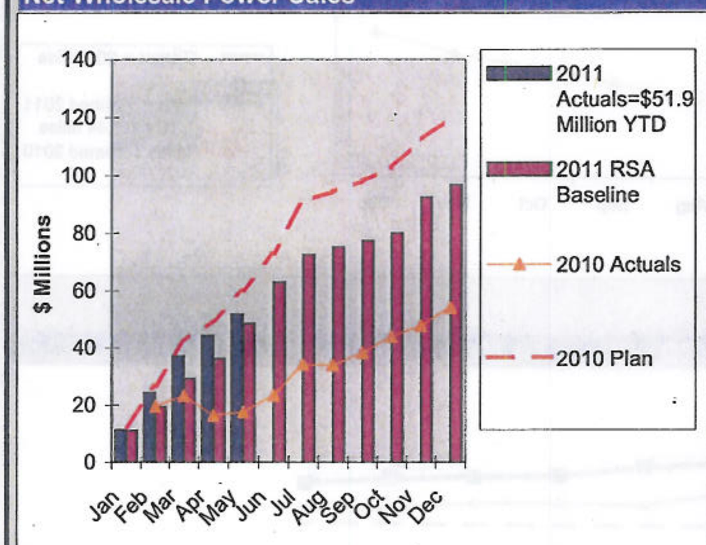
Generator Availability-12 Month Rolling Average



Conservation Savings

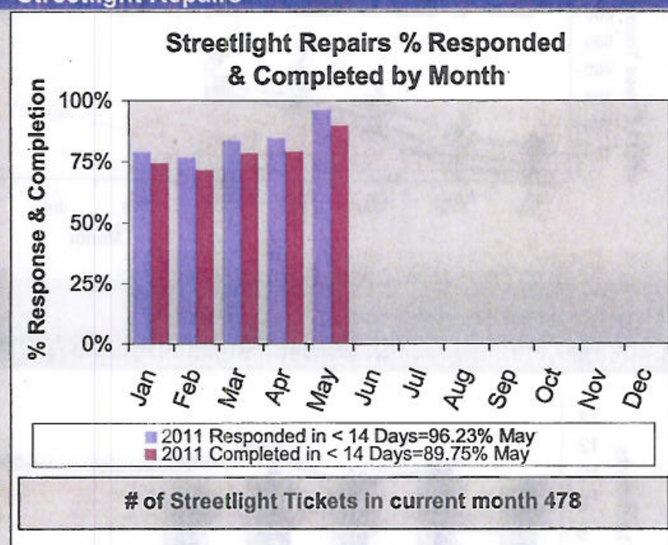


Net Wholesale Power Sales

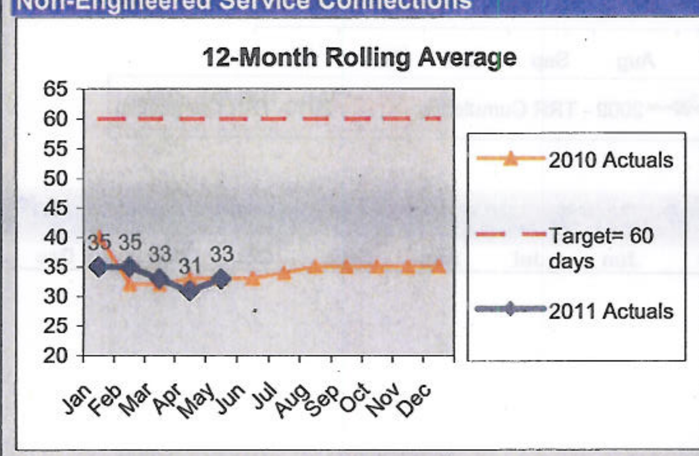


Customer Care:

Streetlight Repairs



Non-Engineered Service Connections



Engineered Service Connections